

Schedule 5(d)-1

Form of Election Notice for Holders of Claims in Classes 6 and 28

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, THE
EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO, AND THE PUERTO RICO PUBLIC
BUILDINGS AUTHORITY,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

ELECTION NOTICE
FOR SYNCORA BOND HOLDERS WITH CLAIMS IN CLASSES 6 AND 28

This Notice (the “**Notice**”) is being sent to the beneficial holders of Vintage PBA Bond Claims (Syncora) and Vintage CW Guarantee Bond Claims (Syncora) arising on account of Syncora Insured Bonds, which are insured by Syncora Guarantee Inc. (“**Syncora**”). These securities give rise to Claims in Classes 6 and 28 of the *Seventh Amended Title III Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* (as the same may be updated, supplemented, amended and/or otherwise modified from time to time, the “**Plan**”).² Although Syncora has the right to cast the vote on account of Claims arising from Syncora Insured Bonds to accept or reject the Plan, the holders are entitled to elect their form of treatment under the Plan.

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“**COFINA**”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“**HTA**”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“**ERS**”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“**PREPA**”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“**PBA**”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² Unless otherwise defined herein, each capitalized term used herein shall have the meaning given to it in the Plan.

Each holder of an Allowed Vintage PBA Bond Claim (Syncora)³ and Allowed Vintage CW Guarantee Bond Claim (Syncora) (“**Allowed Syncora Insured Bond Claims**”) has the option to elect to receive on the Effective Date, or as soon as reasonably practicable thereafter, in full consideration, satisfaction, release, and exchange of such holder’s claims:

Syncora Commutation Treatment (Option 1): On the Effective Date, or as soon as reasonably practicable thereafter, you will receive the Syncora Commutation Consideration, which shall consist of Cash, payable by Syncora, in an amount equal to ninety-five and fifteen hundredths percent (95.15%) of (a) the outstanding principal amount of your Class 6 and 28 Syncora Insured Bonds plus (b) the interest accrued but unpaid to the holder thereon, in full and complete satisfaction, release, and discharge of any further obligation of Syncora with respect to the applicable Syncora Insurance Policies (and, by making such election, you will be deemed to have agreed to commute the Syncora Insurance Policies relating to your Allowed Syncora Insured Bond Claims). Syncora shall receive your Pro Rata Share of the applicable Syncora Plan Consideration.

If you elect the Syncora Commutation Treatment (Option 1), you will have no other or further rights under or with respect to the applicable Syncora Insurance Policy or any of the Syncora Non-Commutation Treatment options described in Section 75.3(b) of the Plan or with respect to the Syncora Non-Commutation Treatment (Option 2) below.

Syncora Non-Commutation Treatment (Option 2):

You will receive the Syncora Non-Commutation Treatment, pursuant to which you will (A) deposit, or be deemed to have deposited, among other things, your Pro Rata Share of the Syncora Plan Consideration and the Syncora Insured Bonds allocable to you into the applicable Syncora Trust, (B) be deemed to have received your Pro Rata Share of the Syncora Plan Consideration and Syncora Certificates in consideration therefor, and (C) have no recourse to Syncora or the Syncora Insurance Policies other than as provided for under the terms of the Syncora Trust; *provided, however*, that, at any time prior to confirmation of the Plan, Syncora may, in its sole discretion, instead elect to pay you the Syncora Acceleration Price, in Cash on the Effective Date, or as soon as reasonably practicable thereafter, in full and final discharge of Syncora’s obligations to you and Syncora shall receive the Syncora Plan Consideration that would be otherwise allocable to you. For the avoidance of doubt, the Syncora Acceleration Price will include interest through the Effective Date.

If you fail to make a valid election or submit an election for less than all of your claims (in which case, such election will be void and of no force and effect), you will be deemed to have elected to commute the Syncora Insurance Policies, to release and discharge Syncora’s obligations thereunder, and to receive distributions in accordance with the Syncora Commutation Treatment (Option 1).

³ Holders making an election pursuant to Section 75.3 of the Plan with respect to such holders’ Allowed Vintage PBA Bond Claims (Syncora) shall be deemed to have made the same election with respect to such holders’ corresponding Allowed Vintage CW Guarantee Bond Claims (Syncora).

You are encouraged to review the entire Disclosure Statement and the Plan before making an election with respect to the form of distribution you will receive under the Plan. The tax consequences described in the Disclosure Statement are not a substitute for careful tax planning and professional tax advice upon your individual circumstances and you should seek advice from your own tax advisor.

Please take notice that you are not able to vote to accept or reject the Plan and will not receive separate voting instructions for such purpose. Pursuant to the Plan and the Disclosure Statement Order, Syncora is entitled to vote to accept or reject the Plan on account of Claims arising from securities insured by Syncora.

IF YOU WISH TO RECEIVE THE SYNCORA COMMUTATION TREATMENT (OPTION 1), YOU DO NOT NEED TO TAKE ANY FURTHER ACTION. HOWEVER, IN SUCH CASE, YOU WILL BE DEEMED TO HAVE ELECTED TO RELEASE, DISCHARGE, AND COMMUTE SYNCORA'S OBLIGATIONS AND THE SYNCORA INSURANCE POLICY.

Each holder of Syncora Insured Bonds described on Exhibit A attached hereto that wishes to receive the Syncora Non-Commutation Treatment (Option 2) must submit a valid election in the manner described herein.

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How to Submit a Valid Election

If you wish to elect to receive the Syncora Non-Commutation Treatment (Option 2), you must instruct your broker or nominee (each, a “**Nominee**”) to electronically deliver your Syncora Insured Bonds⁴ via the Automated Tender Offer Program (“**ATOP**”) at The Depository Trust Company (“**DTC**”), which will constitute an election via DTC’s ATOP system to receive the Syncora Non-Commutation Treatment (Option 2).

No paperwork is required to be delivered to Prime Clerk to effectuate the election. The sole means of effectuating this election is to (i) validly tender your Syncora Insured Bonds into the proper ATOP envelope at DTC, and (ii) make the election to receive the Syncora Non-Commutation Treatment (Option 2), each as described on DTC’s ATOP system.

⁴ Holders making an election pursuant to Section 75.3 of the Plan with respect to such holders’ Allowed Vintage PBA Bond Claims (Syncora) shall be deemed to have made the same election with respect to such holders’ corresponding Allowed Vintage CW Guarantee Bond Claims (Syncora). For the avoidance of doubt, holders of Claims in Classes 6 and 28 shall make such election by tendering their Vintage PBA Bond(s).

**THE ELECTION DEADLINE IS
5:00 P.M. (ATLANTIC STANDARD TIME) ON OCTOBER 4, 2021.**

This date and time is referred to as the “**Election Deadline.**”

PLEASE TAKE NOTICE THAT IF YOU TENDER YOUR SYNCORA INSURED BONDS THROUGH ATOP, YOU WILL BE RESTRICTED FROM TRANSFERRING YOUR SYNCORA INSURED BONDS FROM THE ELECTION DEADLINE UNTIL THE EFFECTIVE DATE OF THE PLAN. IF YOU DESIRE TO RETAIN THE ABILITY TO TRADE OR TRANSFER YOUR SYNCORA INSURED BONDS PRIOR TO THE EFFECTIVE DATE, THEN YOU SHOULD NOT TENDER YOUR SYNCORA INSURED BONDS THROUGH ATOP.

YOU MAY, HOWEVER, REVOKE YOUR ELECTION AT ANY TIME BEFORE THE ELECTION DEADLINE AND WITHDRAW ANY TENDERED SYNCORA INSURED BONDS.

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How to Revoke an Election

You may revoke an election to receive the Syncora Non-Commutation Treatment (Option 2) and withdraw your Syncora Insured Bonds tendered through DTC’s ATOP at any time on or before the Election Deadline.

If you wish to revoke your election, you must instruct your Nominee to revoke your election and withdraw your Syncora Insured Bonds via ATOP at DTC (which withdrawal will be confirmed by Prime Clerk LLC once notified by DTC of the withdrawal request). No paperwork is required to be delivered to Prime Clerk LLC to effectuate the election.

If you revoke your election at any time before the Election Deadline, you may make an election to receive the Syncora Non-Commutation Treatment (Option 2) at any time before the Election Deadline, in accordance with the instructions to submit an election above.

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If you have any questions about your holdings, please contact your Nominee. Additionally, you must contact your Nominee to take any action described above.

IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE, PLEASE CONTACT THE BALLOTING AGENT, PRIME CLERK LLC, BY TELEPHONE AT (844) 822-9231 (TOLL FREE FOR U.S. AND PUERTO RICO) OR (646) 486-7944 (FOR INTERNATIONAL CALLERS), AVAILABLE 10:00 A.M. TO 7:00 P.M. (ATLANTIC STANDARD TIME) (SPANISH AVAILABLE), OR BY EMAIL AT PUERTORICOINFO@PRIMECLERK.COM AND REFERENCE “SYNCORA

DISTRIBUTION ELECTION” IN THE SUBJECT LINE. PLEASE NOTE THAT PRIME CLERK, LLC IS NOT AUTHORIZED TO PROVIDE, AND WILL NOT PROVIDE, LEGAL ADVICE.

All questions as to the validity, form and eligibility (including time of receipt) of your election will be determined by the Oversight Board, whose determination shall be final and binding on all parties. The Oversight Board and Syncora reserve the absolute right to reject any or all elections that are not in proper form or the acceptance of which would, in its legal counsel’s opinion, be unlawful. The Oversight Board and Syncora also reserve the right to waive any defects, irregularities or conditions as to an election. A waiver of any defect or irregularity in one instance shall not constitute a waiver of the same or any other defect or irregularity with respect to any other instance except to the extent the Oversight Board may otherwise so provide. An election shall not be deemed to have been made until any defects or irregularities have been waived by the Oversight Board and Syncora or cured. None of the Oversight Board, Syncora or the Balloting Agent, nor any other person will be under any duty to give notification of any defect or irregularity in this election, or will incur any liability to you for failure to give any such notification.

Exhibit A

Description	CUSIP